

Adopted	Rejected
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COMMITTEE REPORT

YES:	23
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 463, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between line 1 and the enacting clause, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-1-1-1, AS AMENDED BY P.L.34-1997,
- 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: Sec. 1. (a) "Leasing body" means a not-for-profit
- 6 corporation, limited purpose corporation, or authority that has leased
- 7 land and a building or buildings to an entity named in subsection (b)
- 8 other than another leasing body.
- 9 (b) All bonds, notes, evidences of indebtedness, leases, or other
- 10 written obligations issued by or in the name of any state agency,
- 11 county, township, city, incorporated town, school corporation, state
- 12 educational institution, state supported institution of higher learning,
- 13 political subdivision, joint agency created under IC 8-1-2.2, leasing
- 14 body, or any other political, municipal, public or quasi-public

corporation, or in the name of any special assessment or taxing district or in the name of any commission, authority, or authorized body of any such entity and any pledge, conveyance, or mortgage securing these bonds, notes, evidences of indebtedness, leases, or other written obligations are hereby legalized and declared valid if these bonds, notes, evidences of indebtedness, leases, or other written obligations have been executed before March 31, 1997: **15, 1998**. All proceedings had and actions taken under which the bonds, notes, evidences of indebtedness, leases, or other written obligations were issued or the pledge, conveyance, or mortgage was granted, are hereby fully legalized and declared valid.

(c) All contracts for the purchase of electric power and energy or utility capacity or service entered into by a joint agency created under IC 8-1-2.2 and its members used for the purpose of securing payment of principal and interest on bonds, notes, evidences of indebtedness, leases, or other written obligations issued by or in the name of such joint agency are hereby legalized and declared valid if entered into before March 31, 1997: **15, 1998**. All proceedings held and actions taken under which contracts for the purchase of electric power and energy or utility capacity or service were executed or entered into are hereby fully legalized and declared valid.

SECTION 2. IC 10-2-2-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. The state armory board may contribute funds in support of any of the following:**

- (1) The operation and maintenance of the facilities of the military department.**
- (2) The ceremonial unit of the military department.**
- (3) The Indiana guard reserve.**
- (4) The annual report of the adjutant-general.**
- (5) Recruiting of the military department.**
- (6) Public relations of the military department.**
- (7) Cooperative funding agreements entered into by the federal government and the adjutant general or the military department.**

SECTION 3. IC 20-12-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For the purpose of raising funds for the acquisition of property and the

erection, construction, remodeling, renovation, furnishing, and equipping of property, the trustees, respectively, may issue and sell bonds of the institution. The bonds, and the interest on the bonds, may be secured by pledge or mortgage of:

- (1) any property, real or personal, used or acquired or to be acquired and used for the purposes described under this chapter and the improvements made or to be made on the property;
- (2) the net income from the property;
- (3) the property and the net income from the property; or
- (4) any unobligated net income of any property financed under this chapter;

as the trustees may determine.

(b) The lien of the pledge or mortgage, to the extent of the lien, as determined and provided by the respective trustees, and as authorized under this chapter, shall be a first and primary lien for the payment of the bonds secured and the interest on the bonds.

(c) The bonds may be issued for the amount or amounts as the trustees shall determine. However, these amounts may not exceed:

- (1) the total estimated cost of acquiring, erecting, constructing, remodeling, renovating, completing, equipping, and furnishing any property as the respective trustees determine the cost to be; plus
- (2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

(d) The bonds may be issued in the denominations **and** with the maturities ~~and for the rate of interest~~ as the respective trustees ~~fix and~~ determine, and, in the discretion of the respective trustees, the bonds may be sold either at public or negotiated sale as provided by IC 4-1-5.

The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture pursuant to which the bonds are issued. The interest may be payable semiannually, annually, or at any

1 **other interval or intervals provided in the resolution, or the**
 2 **interest may be compounded and paid at maturity or at any other**
 3 **time as specified in the resolution or indenture. The bonds may be**
 4 **made subject to redemption by the corporation at the times and**
 5 **under the circumstances set forth in the authorizing resolution or**
 6 **indenture.**

7 (e) The bonds and the pledge or mortgage securing the bonds,
 8 shall be issued, and made in the name, and on behalf of the respective
 9 corporations by the officer or officers as the trustees respectively
 10 designate.

11 SECTION 4. IC 20-12-8-2 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For the
 13 purpose of raising funds for the acquisition of property and the
 14 erection, construction, reconstruction, extension, remodeling,
 15 improvement, completion, equipping, and furnishing of property, the
 16 governing boards of the corporations, respectively, may issue and sell
 17 bonds of the corporations. The bonds and the interest on the bonds may
 18 be secured by pledge or mortgage of:

- 19 (1) any property, real or personal, used or acquired or to be
- 20 acquired and used for such purposes, and the improvements
- 21 made or to be made on the property;
- 22 (2) the net income from the property;
- 23 (3) the property and the net income from the property; or
- 24 (4) any unobligated net income of any property financed under
- 25 this chapter;

26 as the governing boards may determine.

27 (b) The lien of the pledge or mortgage, to the extent of the lien, as
 28 determined and provided by the respective governing boards, and as
 29 authorized under this chapter, shall be a first and primary lien for the
 30 payment of the bonds and the interest on the bonds.

31 (c) The bonds may be issued for an amount or amounts as the
 32 governing boards shall determine. However, these amounts may not
 33 exceed:

- 34 (1) the total estimated cost of acquiring property for and
- 35 erecting, constructing, reconstructing, extending, remodeling,
- 36 improving, completing, equipping, furnishing, and financing the
- 37 proposed property as the respective governing boards determine
- 38 the cost to be; plus

(2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

(d) The bonds may be issued in the denominations ~~and~~ with the maturities ~~and for the rate of interest~~ as the respective governing boards ~~fix and~~ determine, and, in the discretion of the respective boards, the bonds may be sold either at public or negotiated sale, as provided by IC 4-1-5-1. **The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture pursuant to which the bonds are issued. The interest may be payable semiannually, annually, or at any other interval or intervals provided in the resolution, or the interest may be compounded and paid at maturity or at any other time as specified in the resolution or indenture. The bonds may be made subject to redemption by the corporation at the times and under the circumstances set forth in the authorizing resolution or indenture.**

(e) The bonds and the pledge or mortgage securing the bonds, shall be issued and made in the name, and on behalf of the respective corporations by the officer or officers as the governing boards respectively designate.

SECTION 5. IC 20-12-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 9.5. Temporary Borrowings

Sec. 1. As used in this chapter, "corporation" means the trustees of Indiana University, the trustees of Purdue University, the University of Southern Indiana board of trustees, the Ball State University board of trustees, the Indiana State University board of trustees, the board of trustees for Vincennes University, or the trustees of Ivy Tech State College.

Sec. 2. As used in this chapter, "obligations" means bonds, notes, or other evidence of indebtedness or other obligation issued

1 by a corporation.

2 **Sec. 3. A corporation may borrow funds on a temporary basis**
 3 **in anticipation of the issuance of long term obligations and use the**
 4 **proceeds of a temporary borrowing for any purpose for which the**
 5 **corporation could issue obligations under IC 20-12-6, IC 20-12-7,**
 6 **IC 20-12-8, or IC 20-12-9. A temporary borrowing may be issued:**

7 (1) in the form of a bond, note, commercial paper, or any
 8 other form;

9 (2) upon the terms and conditions and with the provisions,
 10 including redemption provisions;

11 (3) at the rate or rates of interest (fixed or variable); and

12 (4) in the denominations, which may be made convertible
 13 into different denominations;

14 as the corporation determines by the adoption of a resolution or
 15 approval of a form of indenture between the corporation and a
 16 designated corporate trustee, or both. A corporation may negotiate
 17 the terms of any temporary borrowing.

18 **Sec. 4. A corporation may negotiate a loan, line of credit, or**
 19 **other credit facility and issue a note for a credit facility with any**
 20 **institution or entity on the terms and conditions that the**
 21 **corporation determines by the adoption of a resolution or approval**
 22 **of an agreement between the corporation and the institution or**
 23 **entity.**

24 **Sec. 5. A corporation may pledge and assign for the benefit of**
 25 **holders of temporary obligations or a credit facility under this**
 26 **chapter any security that the corporation may pledge and assign**
 27 **for the payment of bonds or notes under IC 20-12-6, IC 20-12-7,**
 28 **IC 20-12-8, or IC 20-12-9.**

29 **Sec. 6. The powers of a corporation under this chapter are in**
 30 **addition to all other powers of a corporation to issue obligations."**

31 Page 2, line 39, after "enter" delete ",",

32 Page 2, line 40, strike "remain,".

- 1 Page 3, after line 33, begin a new paragraph and insert:
- 2 "SECTION 7. **An emergency is declared for this act.**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 463 as printed January 28, 1998.)

and when so amended that said bill do pass.

Representative Bauer